

PRESCRIPTION SERVICES GROUND RULES AND FEES

1. **GENERAL:** Reimbursement for prescription drugs shall be limited to the amount established by the following formulas or by the pharmacist's or health care provider's usual and customary charge, whichever is less, **AND, whenever possible, it is required that a generic equivalent be substituted for a more expensive brand-name drug.**

**AWP less 10% + \$5.00 for generic drugs
AWP less 10% + \$4.00 for brand name drugs**

2. **DETERMINING AWP:** The average wholesale price (AWP) for brand name and generic drugs shall be determined by using the publications of any recognized company, such as the PriceAlert of Medi-Span, which makes this information available. AWP shall be based upon the date the prescription was dispensed.
3. **AUTHORIZED PRESCRIPTION NECESSARY:** Any medication, drugs, or medical supplies not specifically prescribed by a health care provider shall not be reimbursed. In the event, however, a health care provider recommends and/or prescribes any medication, drugs, or medical supplies that can be purchased over-the-counter (without a prescription), and the injured employee pays for said medication, drugs, or medical supplies directly, the injured employee is entitled to be reimbursed. The injured employee, however, must submit copies of any receipts and/or proofs of purchase to the employer (or insurance carrier) for proper reimbursement. Additionally, and as opposed to the injured employee paying for said medication, drugs, or medical supplies, the pharmacy can bill the insurer directly, for payment at the usual retail rate for said pharmacy.
4. **PRIOR AUTHORIZATION FOR MORE THAN 30-DAY SUPPLIES:** Prior authorization by the employer (or insurance carrier) is required for the dispensing of more than a 100 unit dose or 30-day supply of medication. Any refilling of this medication will also require prior authorization.
5. **ITEMIZATION:** Any bills for medication shall be itemized for proper reimbursement, except for drugs furnished by a hospital or other health care facility which include the associated charges in the inpatient hospital service charges.
6. **FORMS:** The pharmacist or health care provider shall use the CMS 1500 form (or an equivalent form) containing the same information. When using such a form, the pharmacist or health care provider shall include the metric quantity and National Drug Code (NDC) number of the drug being dispensed. Items which are prescribed for a work-related injury and do not have an NDC code shall be specifically identified as being a supply.
7. **COST CONTAINMENT:** Nothing in this section shall preclude an employer (or insurance carrier) from entering into a contract with pharmacists or health care providers in their community to promote the continuity of care and the reduction of pharmacy costs. Such a contract shall supersede any limitation specified herein, as long as any charges are less than or equal to the formulas reflected above to determine reimbursement for prescription drugs. Please refer to K.S.A. 44-510i(e) for further clarification, if necessary.